COUNCIL FOR



Thomas A. Schatz

President

March 31, 2011

U.S. Senate Washington, D.C. 20510

Dear Senator,

Senator Orrin Hatch (R-Utah) will soon introduce an amendment to the Constitution requiring that the federal budget be balanced. This amendment has received wide support, including that of Senators Mitch McConnell (R-Ky.), Mike Lee (R-Utah), John Cornyn (R-Tex.), Jon Kyl (R-Ariz.), Pat Toomey (R-Pa.), John Thune (R-S.D.) and Marco Rubio (R-Fla.). On behalf of the more than one million members and supporters of the Council for Citizens Against Government Waste (CCAGW), I urge you to support this legislation.

Federal spending has ballooned out of control. Taxpayers are bracing themselves as the nation rapidly approaches its statutory, record-breaking \$14.3 trillion debt limit. According to the Congressional Budget Office, recession-depleted tax revenues are scheduled to rebound to their historical average of 18 percent of gross domestic product (GDP) by 2018 and reach 18.4 percent by 2021. Federal spending, which has historically been 20.3 percent of GDP, however, is projected to reach 26.4 percent of GDP by 2021. America is on a dangerous trajectory as Congress continues to increase spending and raise debt ceilings without regard to incoming levels of revenue. Washington has put taxpayers at risk by violating a Budgeting 101 rule of thumb: Don't spending more money than you take in.

This proposed constitutional amendment would ensure that total outlays will not be allowed to exceed 18 percent of the U.S. GDP of a fiscal year and will require the president to submit a balanced budget to Congress that reflects the 18 percent cap. A two-thirds majority vote would be required of both the House and Senate to override the spending cap, increase taxes or levy a new tax. Additionally, a three-fifths majority vote in both Houses would be needed to increase the debt limit. In times of declared war, a simple majority vote will be necessary for a specific excess amount above the 18 percent cap, and in times of military conflict a three-fifths majority will be required. In order to protect taxpayers, the amendment prohibits courts from raising revenue as a means of enforcement.

The federal government has a moral and fiscal responsibility to Americans that it has simply been shirking. Congress cannot continue on a spending rampage while ignoring the nation's balance sheets. This legislation proposes a practical and necessary constitutional amendment that will safeguard taxpayers and force Congress to balance the national budget. All votes on the Balanced Budget Amendment will be among those considered in CCAGW's 2011 Congressional Ratings.

Sincerely,
Thomas Schatz